

**MINUTES OF LAYTON CITY
COUNCIL MEETING**

JUNE 5, 2014; 7:02 P.M.

**MAYOR AND COUNCILMEMBERS
PRESENT:**

**MAYOR BOB STEVENSON, JOYCE BROWN, TOM
DAY, JORY FRANCIS, SCOTT FREITAG AND JOY
PETRO**

STAFF PRESENT:

**ALEX JENSEN, GARY CRANE, TERRY KEEFE,
TRACY PROBERT, KENT ANDERSEN, BILL
WRIGHT, PETER MATSON AND THIEDA
WELLMAN**

The meeting was held in the Council Chambers of the Layton City Center.

Mayor Stevenson opened the meeting and led the Pledge of Allegiance. Antone Clark gave the invocation. Scouts and students were welcomed. Mayor Stevenson indicated that items D and E of the Public Hearings would be pulled from the agenda.

MUNICIPAL EVENT ANNOUNCEMENTS:

Councilmember Francis recognized Davis County Commissioner Bret Milburn.

Councilmember Brown said this Saturday was free fishing day in the State. She said there would be activities at Andy Adams Pond from 10:00 a.m. to noon, including prizes. Councilmember Brown said the pond had been stocked with tagged fish.

Councilmember Brown said the Recreation Department was starting a new program, "Go and Play in Layton." She indicated that there were flyers on the back table with more information about the program.

Mayor Stevenson said it was quickly approaching the 4th of July, which would involve many activities.

CONSENT AGENDA:

**REAPPOINT MR. RICHARD ALLEN TO THE BOARD OF DIRECTORS FOR THE
MOSQUITO ABATEMENT DISTRICT-DAVIS – RESOLUTION 14-32**

Mayor Stevenson said Resolution 14-32 would reappoint Mr. Richard Allen to the Board of Directors for the Mosquito Abatement District. He said in the earlier work meeting there had been a presentation from the Mosquito Abatement District, which was very informative.

**INTERLOCAL AGREEMENT WITH DAVIS COUNTY TO SHARE PROGRAM FUNDS
PROVIDED BY THE 2014 EDWARD BYRNE MEMORIAL JOINT JUSTICE ASSISTANCE
GRANT – RESOLUTION 14-33**

Terry Keefe, Police Chief, said this was a grant the City had received for the last 8 to 10 years. He said the amount decreased each year as the Federal Government continued to struggle through their budget issues. Terry said this year Layton City was awarded \$16,221. He said there was a requirement of the grant that the City share a portion of those proceeds with Davis County. Terry said the City had partnered again this year with the Davis County Attorney's Office to share the funding; their share would be approximately \$2,000 for audio/visual equipment to aid in prosecution of felony cases throughout the County. He said the City planned to spend the bulk of the money on replacing interview recording equipment, to update some of the target systems for firearms training, and upgrade the trauma kits in patrol vehicles. Terry said Staff recommended approval of Resolution 14-33.

AMEND THE CONSOLIDATED FEE SCHEDULE – ORDINANCE 14-13

Tracy Probert, Finance Director, said the City consolidated most fees and charges into one place within the Municipal Code, which was adopted or amended by ordinance. He said one change was being proposed relative to the North Davis Sewer District rate increase. Tracy said the Sewer District was increasing their fees by \$3 per customer per month; the City would pass that increase on to utility customers. He said there was also an increase for excess usage of \$.30 per 1,000 gallons over a certain number of gallons. Tracy said the new rates would be effective July 1, 2014. He said Staff recommended approval of Ordinance 14-13.

Mayor Stevenson said the City did this to cover the cost of what the Sewer District charged the City. He said if the Sewer District had not raised their rates the City would not be doing this.

LAND DONATION AGREEMENT AND QUIT-CLAIM DEED FROM JOYCE WALL MCCLURG FOR INSTALLATION OF IMPROVEMENTS – 2744 E. CHERRY LANE – RESOLUTION 14-37

Gary Crane, City Attorney, said there was a small section of Cherry Lane that was not improved with curb and gutter. He said the City planned on improving the section of Cherry Lane from where the improvements end up to Highway 89. Gary said part of that improvement would include property that was owned by Joyce McClurg. He said Ms. McClurg would dedicate approximately 200 square feet of property to the City in exchange for the improvements. Gary said the City had to accept the property. He said Staff recommended approval of Resolution 14-37.

Councilmember Petro said since the sidewalk was not included, should the City decide to put sidewalk in at a later date, would that still be covered.

Gary said the City would do the same thing if additional ground was needed for sidewalk. He said sidewalk was not planned at this time.

FINAL PLAT APPROVAL – KENNINGTON PARKWAY SUBDIVISION, PHASE 2 – APPROXIMATELY 1575 WEST LAYTON PARKWAY

Bill Wright, Community and Economic Development Director, said this was a final plat approval for Kennington Parkway Subdivision, Phase 2. He said the applicant was Castle Creek Homes. Bill said the Kennington Parkway Subdivision was approved in March 2014; this phase contained approximately 18 acres and the proposal was to develop 43 lots. He said this phase would provide connections into other subdivisions in the area, finish part of 1700 West, and Layton Parkway would be completed in the area. Bill said the Planning Commission recommended approval and Staff supported that recommendation.

Mayor Stevenson said this subdivision would be the anchor location for the Parade of Homes this year.

OFF-PREMISE BEER RETAILER LICENSE – ARS FRESNO, LLC – 1724 WEST ANTELOPE DRIVE

Bill Wright said this was an off-premise beer retailer license request for ARS Fresno, LLC, located at 1724 West Antelope Drive. He said there had been an ownership change, which required a new license. Bill said the location met all location requirements and background checks had been approved by the Police Department. He said Staff recommended approval.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SUPPORT FOR THE DAVIS SCHOOL DISTRICT CONSTRUCTION OF ONE HOME – 798 SOUTH ANGEL STREET – RESOLUTION 14-35

Kent Andersen, CDBG Administrator, said Resolution 14-35 would approve an agreement and warranty deed with the Davis School District. He said this was for property located at 798 South Angel Street. Kent said this was a continuation of the City's partnership with the School District in the construction of homes

using Layton High School students. He said the City used CDBG funds to purchase a lot that was donated to the School District where they used students to construct a home. Kent said the home was sold to a qualifying Layton police officer, firefighter or a Davis School District employee. He said Staff recommended approval.

MOTION: Councilmember Brown moved to approve Items A through G of the Consent Agenda as presented. Councilmember Petro seconded the motion, which passed unanimously.

RECEIVING THE MILESTONE 1 REPORT OF MACQUARIE CAPITAL AND COMMITTING TO MOVE FORWARD WITH MACQUARIE INTO MILESTONE 2 – RESOLUTION 14-36

Gary Crane said Resolution 14-36 proposed to move the City forward through Milestone 2 of the Macquarie proposal. He said 10 years ago the City entered into an agreement with 11 other cities that was known as UTOPIA. Gary said at that time UTOPIA had a number of objectives; the main objective being to develop, within the City, a fiber optic infrastructure that would be open to all carriers in much the same way an airport was open to all airline carriers. He said over time the City had sought to develop that infrastructure.

Gary said recently the main objectives of the City had been to try to accomplish the repayment of the bonding, which was in place now for the basic infrastructure that had been implemented; payment of operation expenses; and the development of fiber to all homes and businesses to generate continued economic development.

Gary said approximately a year ago UTOPIA was approached by Macquarie, which was the largest public/private partnership company in the world with over \$600,000,000,000 worth of assets under development and over 100,000,000 people served by those assets. He said Macquarie made a proposal in the form of a predevelopment agreement, which recommended that the cities look at their proposal in four stages, which were known as Milestones. Gary said each of those Milestones carried a certain amount of development and research in order for the cities to look into what Macquarie was proposing for the development of this fiber network. He said UTOPIA signed a predevelopment agreement with Macquarie approximately a year ago and had been working toward the completion of Milestone 1. He said the Milestone 1 Report came out and had been available to the public for approximately 60 days. Gary said Resolution 14-36 accepted the Milestone 1 Report. He said at each Milestone the cities had the option of going on to the next Milestone; if the City went on to the next Milestone it was not concluding that the City would finalize the deal at the end; it was proposing that the City would continue to work toward developing and answering all of the questions that the City would need answered before it came to a final conclusion as to whether or not to enter into a contract with Macquarie.

Gary said there was much work left to do. He said Macquarie had put together an excellent team with some of the biggest companies in the world that handled fiber optics, such as Corning, Fujitsu and Alcatel Lucent. Gary said in the area of feasibility they had contracted with companies like Columbia. He said this lead to a point where the cities would have to take the information, and sort through it, and come up with a proposed Term Sheet. Gary said that would involve significant negotiation and legal work to come to the end of Milestone 2. He said with that came some expense. Gary said Resolution 14-36 allowed the City to progress; to continue to investigate; to put that Term Sheet together; to be able to verify the numbers Macquarie had come up with during the course of their initial work; and it expressed confidence in the companies that had come forward to bid on the project so that now they could move forward in investing substantial funds in continuing to bid on a project of this size.

Gary said there was a lot involved in Milestone 2; it would probably take 60 days to get to the point where the cities would need to make an additional decision on Milestone 2. He said a big part of Milestone 2 would be educating the public about the proposal and why the City was considering this alternative.

Gary said these were the things that Resolution 14-36 accomplished. He said much of Resolution 14-36 was meant to summarize what Macquarie agreed to, and it authorized the City Council to take certain steps, such as set aside an escrow account, or make payments for the cost of moving through Milestone 2. Gary said it

also directed Staff to assist the Council in putting together all of the ideas and concepts that were necessary in order to be able to make a good decision in the end. He said Staff recommended approval of Resolution 14-36.

Councilmember Brown said at this point this did not put a fee on the public.

Gary said no.

Councilmember Brown said all the City was stating was that it would continue to look at the offer, refine the offer and to ask questions of Macquarie.

Gary said that was correct. He said it would go one step further; the City would develop, with Macquarie, a Term Sheet.

Councilmember Brown said Gary mentioned a website where the public could go to read the Milestone 1 Report.

Gary said the website was gofiberutah.org. He said there was a link on the City's website as well.

Councilmember Francis said he was on the Board of UTOPIA. He said he found Macquarie to be a good partner that always seemed to find resolutions to the issues that the cities had. Councilmember Francis said he appreciated their efforts.

MOTION: Councilmember Francis moved to approve Item H of the Consent Agenda as presented. Councilmember Brown seconded the motion, which passed unanimously.

Mayor Stevenson said he was in favor of this moving forward; it was the most important issue facing the City.

PUBLIC HEARINGS:

AMEND THE ADOPTED BUDGET FOR LAYTON CITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2013, AND ENDING JUNE 30, 2014 – ORDINANCE 14-11

Tracy Probert said Ordinance 14-11 would amend the budget for fiscal year 2013-2014, which was the current year. He said a number of the items were covered in the earlier work meeting. Tracy said in the general fund, net additions and reductions to the budget were \$484,869.62. He said those appropriations included additional amounts for salt and sand, which were used earlier in the year for storms; a number of overtime situations with Police and Fire personnel participating in special events or wild land fire type activities where reimbursement funds needed to be appropriated; in Administration to cover a professional consulting contract for \$40,000; and a few smaller items detailed in the schedule.

Tracy said \$238,150 would be used from fund balance to cover those appropriations; \$196,998.71 from revenues received from the special service activities and fees charged for equipment rental; and \$49,720 received in the form of grant revenue. He said these were in the general fund.

Tracy said in other funds of the City there was appropriation of an additional \$14,000 in the B & C Road fund to cover a maintenance agreement with UDOT and monies the City received from them; in the Davis Metro fund \$51,475 to cover an additional officer and vehicle from the Kaysville police force where Kaysville was previously paying an assessment to Davis Metro, and additional HIDTA grant revenue; in the CDBG fund there was an increase of \$415,637.54 most of which was a re-appropriation of prior year grant awards to go toward development at the historic train station, a re-appropriation of prior year grant awards for the Davis District house program and the entitlement CDBG award was increased \$57,299; in the impact fee fund it was proposed to recognize additional revenue received in order to cover credit card fee charges; in the capital projects fund there was a decrease in a project so that funds for the crack seal project could be

increased; in the water fund it was proposed to recognize \$245,650 in exaction fees and appropriate that to areas that were slightly over budget, including the Weber Basin water contract for \$53,250, charges for electricity for \$20,000, insurance premiums of \$20,000 and the remaining \$153,400 would be a budgeted increase in net assets; in the street lighting fund additional revenue would be recognized and appropriated for \$190,000 to cover electricity and purchase of street lighting equipment; in the swimming pool fund \$11,646 of fund balance to cover part time wages; and in the EMS fund \$22,862 in grants would be recognized and appropriated for equipment, and wild land fire revenue would be appropriated to cover overtime for standby paramedic service.

Tracy said after putting together the list of amendments included in the Council packet, he received two additional amendments that should be included. He said one was related to a lease agreement that was approved in the March 20, 2014, Council meeting, in order for the City to purchase a new server for the Spillman public safety system. Tracy said that was for \$75,000 to recognize the proceeds of the lease agreement and the expenditure to purchase the server. He said the second amendment that was not on the original list was to recognize revenue of \$250 donated by Macys for the Commons Park holiday lighting.

Tracy said those were the amendments proposed in Ordinance 14-11 and Staff recommended approval of the amendments as presented this evening.

Councilmember Brown said, for the public, this was simply balancing the City's checkbook at the end of the year.

Tracy said that was correct.

Councilmember Brown said the City accounted for everything in the budget; it was balanced to the penny.

Mayor Stevenson opened the meeting for public input. None was given.

MOTION: Councilmember Brown moved to close the public hearing and approve the budget amendments as presented, Ordinance 14-11. Councilmember Day seconded the motion, which passed unanimously.

ADOPT THE BUDGET AND PROPERTY TAX RATE FOR LAYTON CITY FOR FISCAL YEAR JULY 1, 2014, THROUGH JUNE 30, 2015 – AMEND SCHEDULE OF COMPENSATION FOR STATUTORY OFFICERS – ORDINANCE 14-12

Tracy Probert said Ordinance 14-12 would adopt the budget and certified tax rate for fiscal year 2014-2015. He said Utah State Code required that the Council adopt a budget on or before June 22nd. Tracy said the tentative budget was adopted on May 1, 2014. He said he would present additional changes to the proposed budget since the tentative budget had been adopted.

Tracy said there were eight changes being proposed.

1. A change in general fund transfers to the capital projects fund and street lighting fund totaling \$120,000 related to betterments for the project on Antelope Drive and Highway 89, on the frontage road; \$80,000 for landscaping in the capital projects fund and \$40,000 in the street lighting fund;
2. In the water fund a budgeted use of net assets of \$126,000 in addition to what was already in the capital projects fund for the Antelope Drive and Highway 89 frontage road project; the estimate for the project had changed since May 1st;
3. On the Antelope Drive and I-15 frontage road project, the funding source in the water fund portion of the project was to be from impact fees; it had since been determined that the City would not be able to use impact fees for that project and would instead use net assets or user fees to accomplish \$75,000 worth of the project;
4. On the Antelope Drive and I-15 frontage road project, it was originally anticipated to use impact fees for the storm sewer fund portion of the project of \$80,000; it had since been determined that net assets or user fees would be used;
5. In the general fund administrative division there was a professional lobbyist contract that needed to

- be added for \$20,000; it was proposed that fund balance be used to cover that contract;
6. As the general fund was finalized, in the personnel schedule and in balancing operational line items, there was an additional \$3,272 that was needed to balance the general fund; it was proposed to use fund balance to balance those items;
 7. In the capital projects fund it was proposed to defer \$250,000 for a project to upgrade UTA rail crossing and crosswalks at King Street, Gentile Street and Hill Field Road; originally transportation impact fees would be used for the project but it was determined that this project did not qualify for use of those fees; the project was being deferred until another funding source could be determined; \$250,000 would not be transferred from the impact fee fund to the capital projects fund for this project; and
 8. There were two roundabouts involved in the Antelope Drive project, one at Antelope Drive and Church Street and one at Antelope Drive and Oak Forest; the bids were opened Tuesday and the budget was \$179,527 short of the lowest bid; the proposal was to increase the budget by this amount and transfer the funds from transportation impact fees to the capital projects fund for the streets portion of \$142,730 and for the water utility portion of the project using net assets in the water fund for \$36,797.

Tracy said these were the eight changes that had occurred since the tentative budget had been adopted. He said the City was not proposing a property tax increase. The budget proposed to adopt the certified tax rate as approved by Davis County and the Utah State Tax Commission. Tracy said the City had not received that rate to date, but it would be included in the budget when it was received.

Tracy said the budget included the North Davis Sewer District rate increase, which caused an increase of approximately \$1,200,000 in the sewer fund. He said the budget included a proposed use of \$4,565,795 in fund balance and net assets; \$1,777,747 of that in the general fund. Tracy said the general fund expenditures, excluding transfers and budgeted use of fund balance, totaled \$26,477,687, which included a proposed 3% merit increase for employees and coverage for increases in retirement and health insurance benefits.

Tracy said Staff recommended adoption of Ordinance 14-12, adopting the budget; including the schedule of compensation for elected and statutory officials, and setting the property tax levy equal to the certified tax rate.

Mayor Stevenson asked Tracy what the total budget of all funds would be and what his projection was for sales tax revenue.

Tracy said the total budget was \$68,269,493. He said sales tax was projected to be \$12,100,000, which was a slight increase from the previous year. Tracy said the City had tried to be very conservative in sales tax revenue projections to avoid mid-year adjustments.

Councilmember Brown said the tentative budget had been available to the public for 30 days, but Staff had been presenting this information to the Council for months.

Tracy said the budget process began December 1st; the first meeting with the Council was held in February.

Mayor Stevenson opened the meeting for public input. None was given.

MOTION: Councilmember Freitag moved to close the public hearing and adopt the budget for fiscal year 2014-2015, Ordinance 14-12. Councilmember Francis seconded the motion, which passed unanimously.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ACTION PLAN FOR FISCAL YEAR 2014-2015 – RESOLUTION 14-31

Kent Andersen said Resolution 14-31 would adopt the CDBG Annual Action Plan for the upcoming program year, 2014-2015. He said CDBG was a program administered by the U. S. Department of Housing and Urban Development (HUD). Kent said Layton City was an entitlement community and received a yearly

appropriation from HUD. He said the Annual Action Plan was a guide that outlined how the City planned to expend the allocated funds. Kent said this was the second public hearing in this process. He said the City's annual allocation of \$307,476 was approximately \$3,000 less than the previous year. Kent said in the motion, he would ask Council to reduce the line item for historic downtown infrastructure in the annual action plan by \$148 due to a clerical error. He said Staff recommended approval.

Mayor Stevenson opened the meeting for public input. None was given.

MOTION: Councilmember Petro moved to close the public hearing and approve the CDBG Annual Action Plan for fiscal year 2014-2015; Resolution 14-31, as presented, including reducing the line item for historic downtown infrastructure by \$148. Councilmember Brown seconded the motion, which passed unanimously.

AMEND THE CAPITAL PROJECTS LIST OF THE IMPACT FEE FACILITIES PLAN

This item was pulled from the agenda.

STREET CONVERSION REQUEST – CANDLEWOOD ESTATES PRIVATE SUBDIVISION – APPROXIMATELY 110 SOUTH WEST SIDE DRIVE – RESOLUTION 14-30

This item was pulled from the agenda.

CLOSED DOOR:

MOTION: Councilmember Freitag moved to close the meeting at 8:02 p.m. to discuss the character and professional competence of an individual. Councilmember Petro seconded the motion, which passed unanimously.

MOTION: Councilmember Freitag moved to open the meeting at 10:15 p.m. Councilmember Francis seconded the motion, which passed unanimously.

The meeting adjourned at 10:15 p.m.

Thieda Wellman, City Recorder

SWORN STATEMENT

The undersigned hereby swears and affirms, pursuant to Section 52-4-205(1) of the Utah Code Annotated, that the sole purpose for the closed meeting of the Layton City Council on the **5th day of June, 2014**, was to discuss the character and professional competence of an individual.

Dated this 17th of July, 2014.

ATTEST:

ROBERT J STEVENSON, Mayor

THIEDA WELLMAN, City Recorder